



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 12/10/02

AGENDA ITEM 7

WORK SESSION ITEM _____

TO: Mayor and City Council

FROM: Director of Community and Economic Development

SUBJECT: Issuance of California Statewide Communities Development Authority (CSCDA) Insured Health Facility Revenue Bonds for the Tiburcio Vasquez Health Center, Inc. Project

RECOMMENDATION:

It is recommended that the City Council:

- Adopt the attached resolution approving the Issuance of State Insured Health Facility Revenue Bonds for the Tiburcio Vasquez Health Center, Inc. Project; and authorizing the City Manager to execute all other implementing documents.

BACKGROUND:

On April 9, 2002, the City Council approved a rezoning and site plan review for the rehabilitation of a building located at 22331 Mission Boulevard for the Tiburcio Vasquez Health Center, Inc (TVHC). Since that time, TVHC construction experts discovered structural problems with the existing building that would make it unsuitable for use as a health center. TVHC officials determined it would be more cost-effective to raze the existing building and construct a new building that is specifically tailored to their needs.

TVHC recognized the importance Council places on the architectural quality of this building and its location on Mission Boulevard. The new building is substantially the same design as the rehabilitation plan approved by City Council. Staff reviewed plans for the new building and determined that it met all of the requirements for the previously approved rehabilitation and provided additional architectural features to enhance the quality of development. The Planning Director reviewed the proposed new building and determined that the differences between the rehabilitated building approved by Council and the new building were minor in nature and did not materially alter the appearance or character of the plans approved by Council. Therefore, the Planning Director waived the requirement for site plan review for the new building.

Planning staff believes the new facility will be of higher quality than the rehabilitated building originally proposed. The new facility will be two-stories (the same as the original building) and have an area of approximately of 22,270 total square feet. This is a slight increase in office floor area compared to the original plan approved by the City Council for the rehabilitation and reuse of the former building. The three cottages located on the site have been removed to allow additional parking possible future addition of office space for use by the facility staff – removal

of these cottages was part of the original plan approved by Council. This portion of the Mission corridor will benefit from the improved architecture of the new facility.

TVHC proposes to expand their services at the new facility. New activities will include health education, case management, nutrition, psychosocial, and postpartum care. TVHC will also assist patients to obtain Medi-Cal and other low/no cost health insurance. In cooperation with California Perinatal Services Program, TVHC will provide pre-natal care, health education, and service referrals for underserved clients including, pregnant women and monolingual clients.

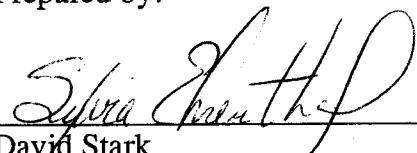
Project Financing

The total project cost is approximately \$7.7 million. The primary source of financing will be a twenty-five year, \$6.4 million tax-exempt, insured health facility revenue bond issued by the CSCDA. Grants and donations will fund the balance of the project.

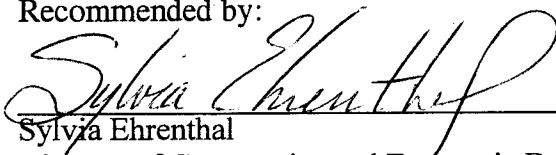
As discussed previously, the bonds will be limited obligations of the CSCDA. The bonds will have a Standard & Poor's AA rating because the California Health Facility Construction Loan Insurance Program will provide the credit enhancement for the bonds. Loans made from bond proceeds are guaranteed by the "full faith and credit" of the State of California. The City will not be legally responsible for issuing the bonds, insuring the project, or for repayment of bond proceeds. By providing a State guarantee the borrower is able to obtain a lower interest rate.

The City's only role in the issuance of the bonds will be to conduct this TEFRA hearing. The TEFRA hearing process is a public accountability procedure mandated by Federal tax law. The process requires the legislative body of the jurisdiction in which a project financed with tax-exempt bonds is located to conduct a public hearing. The hearing provides members of the community the opportunity to speak on behalf of or against the nature and location of the project. Notice of this hearing was published in the *Daily Review* 14 days prior to this hearing.

Prepared by:

for 
David Stark
Housing Development Specialist

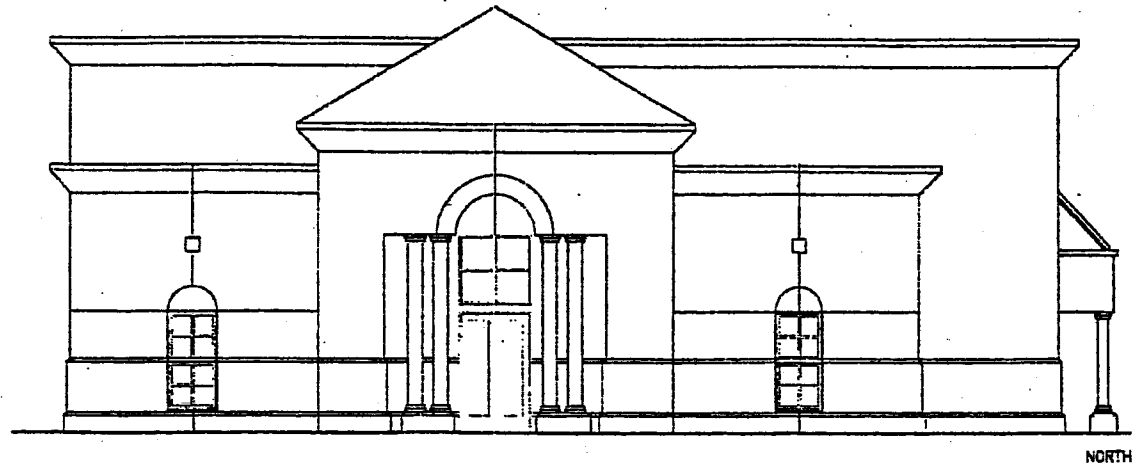
Recommended by:


Sylvia Ehrenthal
Director of Community and Economic Development

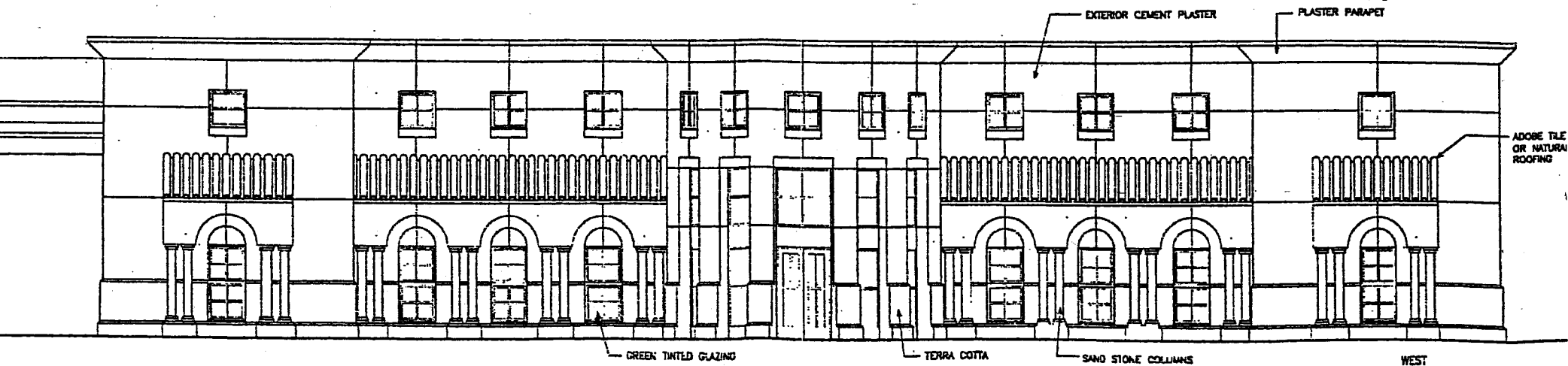
Approved by:


Jesús Armas, City Manager

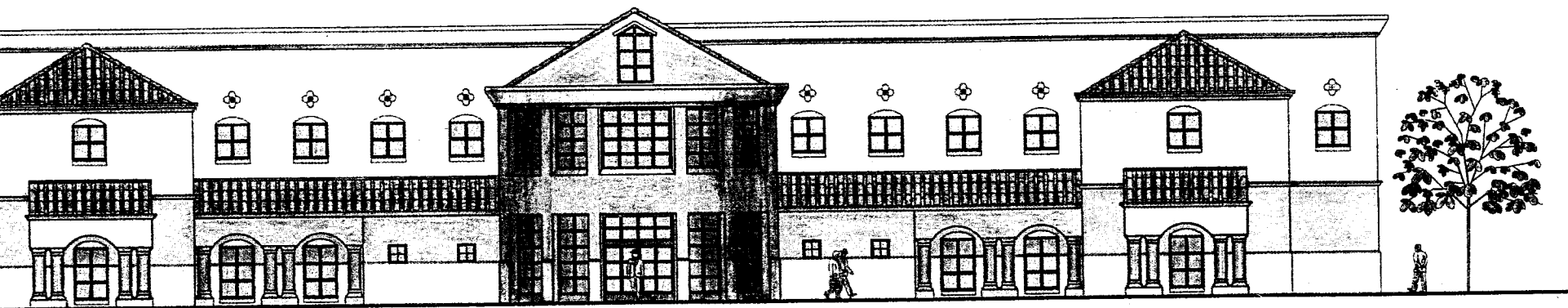
Attachments: Elevations
Resolution



Mission Street Preliminary Elevation

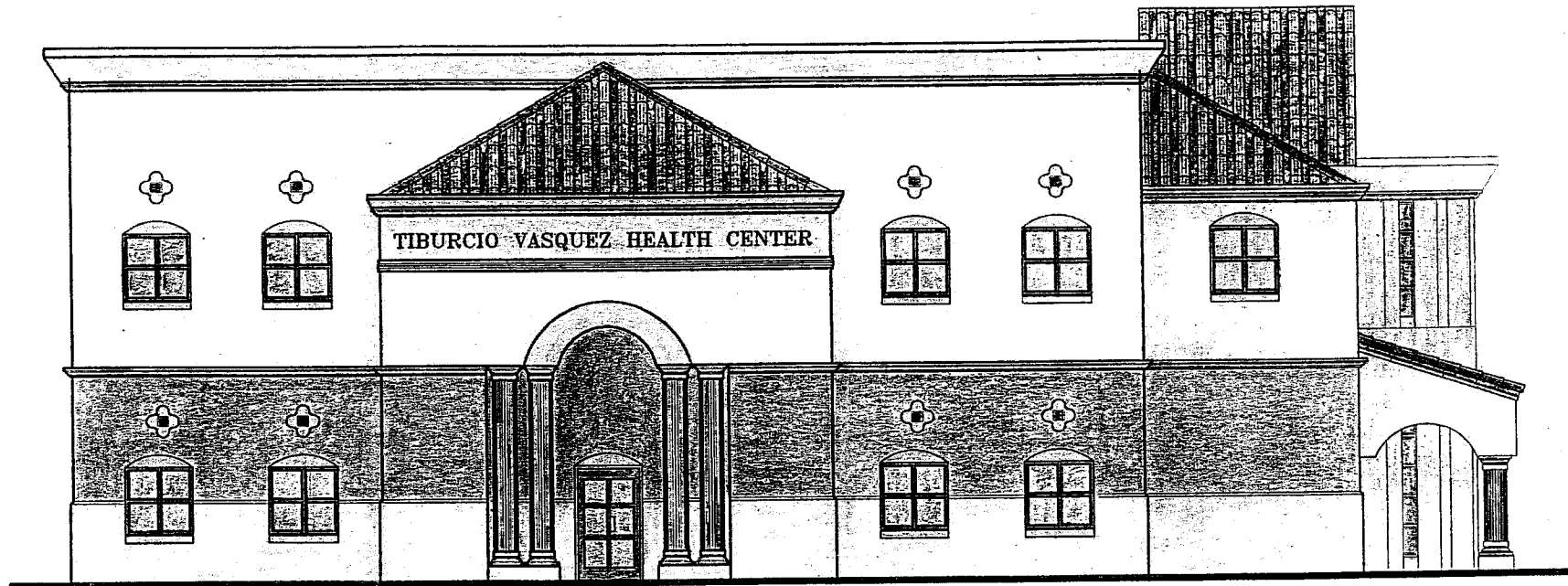


Preliminary Exterior Building Elevation
North Elevation



Revised Elevation for New Building

North Elevation



EXTERIOR ELEVATION - EAST -

SCALE: 1/8" = 1'-0"

Mission Boulevard Elevation

DRAFT

CITY OF HAYWARD

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HAYWARD APPROVING THE ISSUANCE OF THE
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY INSURED HEALTH
FACILITY REVENUE BONDS (TIBURCIO VASQUEZ
HEALTH CENTER, INC. PROJECT), 2003 SERIES A, IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$6,400,000 FOR THE PURPOSE OF FINANCING THE
ACQUISITION, CONSTRUCTION, IMPROVEMENT AND
EQUIPPING OF FACILITIES OF TIBURCIO VASQUEZ
HEALTH CENTER, INC. AND CERTAIN OTHER MATTERS
RELATING THERETO

WHEREAS, Tiburcio Vasquez Health Center, Inc., a California nonprofit public benefit corporation (the "Corporation"), has requested that the California Statewide Communities Development Authority (the "Authority") participate in the issuance of one or more series of revenue bonds in an aggregate principal amount not to exceed \$6,400,000 (the "Bonds") finance the costs of (a) purchasing a 60,000 square foot site, located at 22331 Mission Boulevard in Hayward, California, which consists of five parcels and includes a 9,900 square foot, one-story building previously used as a thrift store, three surrounding cottages with varying square footage, and a 35 car parking lot, (b) demolishing the existing building and constructing a new 22,300 square foot building, including twenty exam rooms, two treatment rooms and four dental operatories, (c) performing related site work, including parking areas, concrete curbs, gutters, and sidewalks, and (d) purchasing related furniture and equipment, all to be owned by the Corporation (the "Project").

WHEREAS, pursuant to section 147(f) of the Internal Revenue Code of 1986 (the "Code"), the issuance of the Bonds by the Authority must be approved by the City because the Facilities are located within the territorial limits of the City;

WHEREAS, the City Council of the City (the "City Council") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance of the Bonds as a member the Authority under Section 147(f) of the Code; the Bonds will be issued by the Authority and the City will have no obligations with respect thereto;

WHEREAS, the Authority has requested that the City Council approve the issuance of the Bonds by the Authority in order to satisfy the public approval requirement of section 147(f) of the Code and the requirements of Section 9 of the Amended and Restated Joint Exercise of Powers Agreement, dated as of September 1, 1988 (the "Agreement"), among certain local agencies, including the City; and

WHEREAS, pursuant to section 147(f) of the Code, the City Council has, following notice duly given, held a public hearing regarding the issuance of the Bonds, and now desires to approve the issuance of the Bonds by the Authority;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward, as follows:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority. It is the purpose and intent of the City Council that this resolution constitute approval of the issuance of the Bonds by the Authority, for the purposes of (a) section 147(f) of the Code by the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is to be located, in accordance with said section 147(f), and (b) Section 9 of the Agreement.

Section 2. The officers of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this resolution and the financing transaction approved hereby.

Section 3. This resolution shall take effect immediately upon its adoption.

The foregoing is a full, true and correct copy of a resolution duly adopted by the City Council of the City of Hayward, California at a meeting thereof on the 10th day of December, 2002, by the following vote of the members thereof:

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2002

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward